

MICHIGAN DEPARTMENT OF CIVIL SERVICE EMPLOYEE ETHICAL STANDARDS

2-8.1 Ethical Conduct Required

Employment in the state classified service demands a high degree of loyalty and imposes high ethical standards on employees to ensure the integrity of state government and maintain effective services. All employees must meet these ethical standards and all appointing authorities are obligated to enforce these ethical standards.

2-8.2 Prohibitions

(a) All employees. A classified employee shall not do any of the following:

- (1)** Divulge or release, for financial gain for the employee or a member of the employee's immediate family, any confidential information that is not by law, rule, regulation, or court order available to members of the general public. However, this subsection does not prohibit an employee from disclosing to a public body a violation or suspected violation as authorized in rule 2-10 [Whistleblower Protection] unless otherwise prohibited by statute, court order, or professional ethics.
- (2)** Engage in or agree to engage in, for financial gain for the employee or a member of the employee's immediate family, any business transaction or private arrangement that accrues from or is based on the employee's official position or on confidential information gained by reason of the employee's position.
- (3)** Solicit, accept, or agree to accept anything of value (1) from any designated representative [as defined in rule 9-1] or (2) under any circumstances that could reasonably be expected to influence the manner in which the employee performs work or makes decisions.
- (4)** Make available any consideration, treatment, advantage, or favor beyond that which is generally granted or made available to others under similar circumstances.
- (5)** Represent or act as an agent for any private interests, whether for compensation or otherwise, in any transaction in which the state has a direct and substantial interest and which could reasonably be expected to result in a conflict between the employee's private interests and official state responsibilities.
- (6)** Exercise any decision-making authority of the state regarding any state regulation, enforcement, auditing, licensing, or purchasing with respect to any business or entity in which the employee or a member of the employee's immediate family has any financial interest.
- (7)** Engage in supplemental employment that conflicts with the satisfactory or impartial performance of the employee's state duties.
- (8)** Engage in supplemental employment without the express written consent of the employee's appointing authority.
- (9)** Engage in any supplemental employment during actual-duty time.
- (10)** Request or use sick leave to engage in supplemental employment.
- (11)** Use any state funds, property, or equipment in or for the benefit of any supplemental employment.
- (12)** Fail to timely, fully, and accurately report to the employee's appointing authority any of the following:
 - (A)** Any interest of the employee or the employee's immediate family in any business or entity with which the employee has direct contact while performing official duties as a classified employee.
 - (B)** Any supplemental employment or change in approved supplemental employment required by this rule, applicable regulations, or departmental work rules.

- (b) **Attorneys.** In addition to any other prohibition, an employee occupying a classified position that requires the employee to be a licensed attorney in the State of Michigan shall not do any of the following, whether for compensation or otherwise:
- (1) Represent any person or entity with an interest adverse to the State of Michigan or any of its agencies or instrumentalities (1) in any criminal, civil, regulatory, or administrative matter or (2) before any court or administrative agency.
 - (2) Represent any private interest before any state administrative agency.
 - (3) Represent another state employee in any matter, including a personnel matter, against the State of Michigan or any of its agencies or instrumentalities.
- (c) **Excluded employees.** In addition to any other prohibition, the following employees may not represent another employee in any matter or proceeding related to employment, including, but not limited to, investigations, disciplinary conferences, grievances, civil service technical matters, or civil service proceedings:
- (1) An appointing authority who is a classified employee.
 - (2) An excluded employee occupying a position in human resources under the direction of an appointing authority.

2-8.3 Disclosure

(a) Personal and financial interests.

- (1) **Disclosure.** At least annually, an employee shall disclose to the employee's appointing authority all personal or financial interests of the employee or members of the employee's immediate family in any business or entity with which the employee has direct contact while performing official duties as a classified employee.
- (2) **Action by appointing authority.** If an appointing authority determines that the personal or financial interests of an employee or the employee's immediate family represent an unacceptable conflict of interest with the employee's state duties, the appointing authority may take any of the following actions to eliminate the conflict:
 - (A) Require appropriate actions by the employee or the employee's immediate family regarding the personal and financial interests.
 - (B) Change the employee's job, including, but not limited to, imposing a lateral job change, demoting the employee, changing reporting relationships, changing work locations, or reassigning specific tasks.
 - (C) Separate the employee from the classified service if the conflict cannot be eliminated.

(b) Supplemental employment.

- (1) **Disclosure and approval required.** An employee must report all supplemental employment to the employee's appointing authority and must receive approval from the appointing authority to engage in supplemental employment.
 - (A) **Employees.** Before engaging in supplemental employment, an employee must disclose the nature and extent of the supplemental employment to the employee's appointing authority. Thereafter, an employee must report all supplemental employment at least annually as required by this rule, applicable regulations, and the appointing authority.
 - (B) **Newly-hired employees.** A newly-hired employee who is already engaging in supplemental employment at the time of hire must disclose the nature and extent of the supplemental employment as required by an appointing authority.
 - (C) **Changes.** If there is a change in approved supplemental employment, the employee must disclose the nature and extent of the change to the employee's appointing authority within 14 calendar days.
- (2) **Action by appointing authority.** If an appointing authority determines that supplemental

employment (1) interferes with the employee's attendance or efficiency or otherwise conflicts with the satisfactory performance of the employee's state duties or (2) represents an unacceptable conflict of interest with the employee's state duties, the appointing authority may take any of the following actions:

- (A) Withhold or withdraw approval to engage in supplemental employment.
 - (B) Require the employee to modify, limit, or terminate the supplemental employment.
 - (C) Change the employee's job, including, but not limited to, imposing a lateral job change, demoting the employee, changing reporting relationships, changing work locations, or reassigning specific tasks.
 - (D) Separate the employee from the classified service if the conflict cannot be eliminated.
- (3) **Service in the uniformed services; exception.** An employee is not required to obtain approval to engage in supplemental employment in the uniformed services. However, unless precluded by military necessity, an employee must give advance written or verbal notice to the appointing authority of any absence from state duties for service in the uniformed services.
- (4) **Applicants.** As part of the appraisal process, an appointing authority may require an applicant to disclose the nature and extent of all employment that the applicant intends to continue as supplemental employment after the applicant is hired into the classified service.

2-8.4 Compliance

As a condition of continued employment in the classified service, an employee must comply with the requirements of applicable rules, regulations, departmental work rules, and individual requirements imposed by the employee's appointing authority.

2-8.5 Discipline

An employee who engages in conduct prohibited by rule 2-8, an applicable regulation, a departmental work rule, or an individual requirement imposed by the employee's appointing authority may be disciplined, up to and including dismissal from the classified service.

2-8.6 Reporting Alleged Violations

An employee who becomes aware of any alleged violation of a standard of ethical conduct in this rule, an applicable regulation, a departmental work rule, or an individual requirement imposed by an appointing authority must report the alleged violation to the employee's appointing authority.

2-8.7 Appointing Authority Guidance and Exemptions

- (a) **Departmental work rules and directives.** An appointing authority may issue departmental work rules or other written directives to define, implement, and enforce ethical standards. An appointing authority may, for example, do any of the following:
- (1) Establish ethical standards for employees that are more strict than the basic standards established in this rule and the regulations.
 - (2) Define specific prohibited acts and conflicts of interest.
 - (3) Identify specific employees or classes of employees required to file disclosure reports.
 - (4) Establish procedures, forms, and times for disclosure.
 - (5) Establish procedures for an employee to obtain a prior written determination from the employee's appointing authority as to whether specific future conduct is permitted or prohibited.
- (b) **De minimis exception.** In a departmental work rule or directive, an appointing authority may exempt from the prohibition in rule 2-8.2(a)(3) the receipt of anything of value that is so de minimis that the appointing authority has determined that its receipt by the employee could not reasonably be expected to influence how the employee performs work or makes decisions. However, any such de minimis exemption may not exceed the following limits:

- (1) Any single tangible or intangible item with a fair market value exceeding \$20.00.
 - (2) Any combination of tangible and intangible items during any 3-month period with an aggregate fair market value exceeding \$80.00.
 - (3) Any amount of money, including a loan of money.
- (c) Conferences, training, and meetings.** Notwithstanding rule 2-8.2(a)(3), an appointing authority may authorize an employee to attend a conference, training session, or other meeting, the expenses of which are paid in whole or in part by a designated representative, if all of the following are met:
- (1) The employee's attendance is primarily for the benefit of the state.
 - (2) The expenses paid are expenses, which if paid by the employee, would be reimbursable items under the standardized travel regulations or other policies of the employee's appointing authority.
 - (3) The employee's appointing authority determines that paid attendance by the employee would not reasonably be expected to improperly influence how the employee performs work or makes decisions.

Rule 2-8 last amended effective October 1, 2004.

Designated Representative

Designated representative means an individual employed by, or directly or indirectly representing, any of the following businesses or entities:

- (a) A business, entity, or person that has a contract with the state that the classified employee had or has the authority to (1) award or recommend the award, extension, or renewal of the contract or (2) approve or authorize any payments under the contract.
- (b) A business, entity, or person that is seeking a contract with the state for which the classified employee, as a part of the employee's official duties, had or has (1) the authority to develop, recommend, or approve the contract specifications or (2) the authority to recommend the purchase or award of the contract.
- (c) A business, entity, or person that is regulated by the agency employing the classified employee and for which the classified employee has any regulatory responsibility.
- (d) A business, entity, or person with an enforcement matter or contested case pending before an agency or court and for which the classified employee has any enforcement, adjudicatory, or representational responsibility.
- (e) A business, entity, or person that performs work for the state that is inspected or approved by the classified employee.
- (f) A business, entity, or person whose financial records are audited by the classified employee.
- (g) An employee or representative of a trade association if any member of the association is a business or entity described in subsections (a) through (f).
- (h) An attorney who represents any business, entity, or person described in subsections (a) through (f).
- (i) A lobbyist who represents any business, entity, or person described in subsections (a) through (f).

[Definition last amended effective March 27, 2003]